

Updates to Federal Heavy Vehicle Use Tax

New Information

Updated Federal Heavy Vehicle Use Tax (FHVUT) information:

- The unladen weight of a vehicle plays no part in FHVUT determination. FHVUT proof is needed **only** if a commercial motor vehicle is operated at 55,000 pounds or more combined gross vehicle weight (CGW).
- The Department of Motor Vehicles (DMV) no longer accepts evidence that an applicant is making payments to the Internal Revenue Service (IRS) for FHVUT proof. The IRS does not accept partial payments for FHVUT.
- The IRS requires taxpayers with 25 or more vehicles to file their FHVUT Schedule 1, Form 2290 electronically (they **cannot** paper file).

Procedures

Any of the following may be accepted by the DMV as proof of FHVUT payment upon renewal of registration:

- Original or photocopy of an IRS receipted Schedule 1, Form 2290 (electronically watermarked **or** manually stamped).
- A photocopy of Schedule 1, Form 2290, filed with the IRS **and** a photocopy of the front and back of the cancelled check payable to the IRS for the entire FHVUT payment.
- Original or photocopy of an IRS receipted Schedule 1, Form 2290 (electronically watermarked **or** manually stamped) listing the vehicle as exempt.

For further information about IRS Schedule 1, 2290 see “Instructions for Form 2290” at www.irs.gov/pub/irs-pdf/i2290.pdf or Excise Tax E-file and Compliance- Frequently Asked Questions at www.irs.gov/efile/article/0,,id=172124,00.html.

Background

Various departmental manuals and VIN 2008-2, Federal Heavy Vehicle Use Tax Changes, stated in error that FHVUT proof was required for commercial vehicles or buses with an unladen weight of 8,001 pounds or more that operated at CGW of 55,000 pounds.

Federal legislation eliminated the FHVUT installment payment option; therefore, “evidence of making payments to IRS” is not allowed as proof of FHVUT.

VIN 2008-2, Federal Heavy Vehicle Use Tax Changes, stated that during the IRS conversion to electronic filing of Schedule 1, 2290, taxpayers with 25 or more vehicles were allowed to paper file. These taxpayers **must** now file electronically.

Background, continued

The *Vehicle Registration Manual*, *Vehicle Industry Registration Procedures Manual*, and the *VR DART* will be updated to reflect the revised information.

References

US Code, Title 26: Internal Revenue §4481

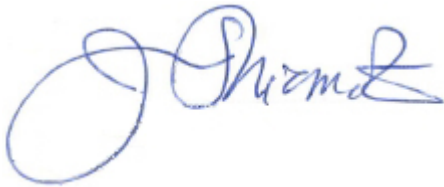
California Vehicle Code §4750

Distribution

Notification that this memo is available online, at **www.dmv.ca.gov** under Publications was made via California DMVs Automated E-mail Alert Service in November 2010.

Contact

Call the DMV Customer Communications Section, at (916) 657-6560 for further clarification of this memo. Upon request, this document can be produced in Braille or large print.

A handwritten signature in blue ink, appearing to read "J Shiimoto". The signature is stylized with a large loop at the beginning and a cursive script for the rest of the name.

JEAN SHIOMOTO, Deputy Director
Communication Programs Division